



JOHN NAIMO  
ACTING AUDITOR-CONTROLLER

## COUNTY OF LOS ANGELES DEPARTMENT OF AUDITOR-CONTROLLER

KENNETH HAHN HALL OF ADMINISTRATION  
500 WEST TEMPLE STREET, ROOM 525  
LOS ANGELES, CALIFORNIA 90012-3873  
PHONE: (213) 974-8301 FAX: (213) 626-5427

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TO: Supervisor Don Knabe, Chairman  
Supervisor Gloria Molina  
Supervisor Mark Ridley-Thomas  
Supervisor Zev Yaroslavsky  
Supervisor Michael D. Antonovich

FROM: John Naimo   
Acting Auditor-Controller

SUBJECT: **COMMUNITY AND SENIOR SERVICES – REVIEWS OF WORKFORCE  
INVESTMENT ACT SUMMER YOUTH WORK EXPERIENCE PROGRAM  
SERVICE PROVIDERS – FISCAL YEAR 2013-14 SUMMARY REPORT**

At the request of Community and Senior Services (CSS), we completed program, fiscal, and administrative reviews of 18 Workforce Investment Act (WIA) Summer Youth Work Experience Program (SYWEP) contract service providers.

The WIA SYWEP provides work-based training for eligible youth and young adults between the ages of 14 and 21 years. The goal of the WIA SYWEP is to encourage youth to remain in school, develop career goals, and secure employment. Our reviews covered a sample of Fiscal Year (FY) 2013-14 transactions from each service provider. In addition, we visited 48 (7%) of the 649 active WIA SYWEP worksites during July, August, and September 2013.

The 18 WIA SYWEP contractors were compensated on a cost-reimbursement basis and received approximately \$3 million for FY 2013-14.

### **Review Summary**

The contractors provided the required services to eligible participants. However, we identified \$99,445 in questioned costs billed to the WIA SYWEP. Specifically, of the 18 contractors:

- Seven (39%) contractors charged \$96,791 to the WIA SYWEP for unsupported expenditures.
- Four (22%) contractors inappropriately charged \$2,242 to the WIA SYWEP for unallowable expenditures.
- Two (11%) contractors charged \$412 for participants who worked past their work permit expiration date.

The WIA SYWEP contractors also did not always comply with other WIA SYWEP and County contract requirements. For example, one (5%) of the 18 contractors did not obtain criminal record clearances for all WIA SYWEP employees, and three (17%) contractors did not adequately document their worksite monitoring.

In addition, the worksites used by the WIA SYWEP contractors did not always comply with WIA SYWEP requirements. For example, of the 48 worksites visited:

- Thirty-one (65%) worksites did not fully comply with health and safety regulations (e.g., missing evacuation plans, exit signs, current fire extinguishers, non-functioning smoke detectors, etc.).
- Twenty-one (44%) worksites did not maintain all required documentation (e.g., worksite agreements, job descriptions, time sheets, work readiness evaluations, and/or a list of participants).
- Twelve (25%) worksites did not post required notices in clear view (e.g., minimum wage poster, payday notice, safety rules and regulations notice, workers' compensation insurance coverage notice, and/or equal opportunity poster, etc.).

Attachment I summarizes the findings for each service provider that provided WIA SYWEP services from July through September 2013. Attachment II summarizes the findings for each worksite visited during July, August, and September 2013.

### **Review of Report**

We discussed our findings with CSS and the WIA SYWEP service providers. CSS indicated that all findings and questioned costs have been resolved except for \$15,767 in total questioned costs related to two agencies. CSS will report the final status to your Board after the resolution process has been completed.

Due to the number of service providers, we did not attach copies of the individual reports. However, copies of the individual reports are available for your review upon request. Please call me if you have any questions, or your staff may contact Don Chadwick at (213) 253-0301.

JN:AB:DC:EB:YP

Attachments

c: William T Fujioka, Chief Executive Officer  
Cynthia D. Banks, Director, Community and Senior Services  
Public Information Office  
Audit Committee

#	Contractors	Contract Amount	# of Recos.	Findings										
				A	B	C	D	E	F	G	H	I	J	Total
1	Altamed Health Services	\$92,000	2	x							(1)			\$ -
2	Archdiocesan Youth Employment Services of Catholic Charities of Los Angeles, Inc.	\$92,000	0											\$ -
3	Comprehensive Community Services	\$92,000	4		x			x		(1)	\$1,250			\$ 1,250
4	Door of Hope Community Center, Inc.	\$92,000	0											\$ -
5	Hub Cities Consortium	\$92,000	2		x						(1)			\$ -
6	Los Angeles County Office of Education	\$92,000	1									(1)		\$ -
7	Human Services Consortium of the East San Gabriel Valley dba LA Works	\$92,000	0											\$ -
8	Managed Career Solutions, Inc.	\$92,000	1							(1)				\$ -
9	Mexican American Opportunity Foundation	\$92,000	0											\$ -
10	Southeast Area Social Services Funding Authority	\$92,000	0											\$ -
11	University of California Los Angeles Community Based Learning Program	\$92,000	1	x										\$ -
12	City of Long Beach Administering Entity of Pacific Gateway Workforce Investment Network	\$243,100	1				x							\$ -
13	City of Los Angeles Community Development Department	\$1,186,700	5	x	x	x						\$14,517	(1)	\$ 14,517
14	City of Pasadena Foothill Workforce Investment Board	\$62,800	3		x	x						(1)		\$ -
15	South Bay Workforce Investment Board Inc.	\$201,300	3	x						(1)		(1)		\$ -
16	Southeast Los Angeles County Workforce Investment Board	\$76,700	6	x	x	x	x	x				\$70,448		\$ 70,448
17	Verdugo Consortium Workforce Investment Board	\$131,500	3	x							\$ 992	(1)		\$ 992
18	Youth Policy Institute, Inc.	\$92,000	3						x			\$11,826	\$412	\$ 12,238
<b>TOTAL</b>		<b>\$3,006,100</b>	<b>35</b>	<b>6</b>	<b>5</b>	<b>3</b>	<b>2</b>	<b>2</b>	<b>1</b>	<b>3</b>	<b>\$2,242</b>	<b>\$96,791</b>	<b>\$412</b>	<b>\$ 99,445</b>

**Code Summary**

- A Did not require participants to take pre-and-posts tests, and/or maintain signed current I-9 Forms as required in participants' case files.
- B Did not maintain Accounting and Procurement Policies, prepare bank reconciliations, and/or cancel unclaimed/undelivered checks in a timely manner.
- C Did not document their monitoring visits of each worksite, monitor their worksites on a regular basis, and/or maintain the Complaint and Resolution Policies and Procedures forms in the participant case files.
- D Did not establish worksite agreements and/or sign and execute their agreements with their subcontractors in a timely manner.
- E Billed based on estimates and/or billed for unpaid expenditures.
- F Criminal record clearances were not obtained for all WIA SYWEP employees as required.
- G Did not accurately calculate and/or pay the employees and/or participants for the hours worked, and/or timesheets were not signed by employees and/or participants as required.
- H Expenditures charged to the WIA SYWEP were unallowable.
- I Contractor's Cost Allocation Plan was not in compliance with the County contract requirements and/or the expenditures and allocated shared costs charged to WIA SYWEP were not adequately supported.
- J Allowed participants to work past their work permit expiration date.

**Footnotes**

- (1) Total questioned cost was immaterial.

#	Contractors	# of Worksites Visited	# of Worksites per Finding					Total Findings
			A	B	C	D	E	
1	Altamed Health Services	2	2		1			3
2	Archdiocesan Youth Employment Services of Catholic Charities of Los Angeles, Inc.	2	2	2				4
3	Comprehensive Community Services	1	1					1
4	Door of Hope Community Center, Inc.	2	2	2	1	1		6
5	Hub Cities Consortium	2	2	1	1			4
6	Los Angeles County Office of Education	3	1	1				2
7	Human Services Consortium of the East San Gabriel Valley dba LA Works	3	3	1				4
8	Managed Career Solutions, Inc.	2	2	1		1		4
9	Mexican American Opportunity Foundation	1	1					1
10	Southeast Area Social Services Funding Authority	2	1	1		1		3
11	University of California Los Angeles Community Based Learning Program	3	1	1	1	1		4
12	City of Long Beach Administering Entity of Pacific Gateway Workforce Investment Network	5	2	4			1	7
13	City of Los Angeles Community Development Department	5	2	2			1	5
14	City of Pasadena Foothill Workforce Investment Board	2	2	1	1			4
15	South Bay Workforce Investment Board Inc.	5	4	1	1			6
16	Southeast Los Angeles County Workforce Investment Board	3	1		2			3
17	Verdugo Consortium Workforce Investment Board	2	1	2	1	2		6
18	Youth Policy Institute, Inc.	3	1	1	3	2	2	9
<b>TOTAL</b>		<b>48</b>	<b>31</b>	<b>21</b>	<b>12</b>	<b>8</b>	<b>4</b>	<b>76</b>
<b>% OF TOTAL WORKSITES PER FINDING CATEGORY</b>			<b>65%</b>	<b>44%</b>	<b>25%</b>	<b>17%</b>	<b>8%</b>	

**Code Summary**

- A** Worksite was not always in compliance with health and safety regulations (e.g., missing evacuation plans, exit signs, current fire extinguishers, non-functioning smoke detectors, etc.).
- B** Required documentation, such as the worksite agreements, job descriptions, time sheets, work readiness evaluations, and/or a list of participants, were not maintained at the worksite.
- C** Required postings, such as the minimum wage poster, payday notice, safety rules and regulations notice, workers' compensation insurance coverage notice, and/or equal opportunity poster, were not posted in clear view.
- D** Worksite supervisor indicated that the Agency did not conduct monitoring visits as of our visit date.
- E** Worksite supervisor did not attend the required orientation for SYWEP supervision and program requirements.